MHFNO: 98-0457370 SECRET
SENSIND:
PAGE: 1
SECRET ERP: 2
STAFF

ACTION: IMS/ESG (020) INFO: CIC/CEG, CIC/CEGLA, CIC/LA, DO/IRO, IMDORECORD, LA/FIG, LA/FIGSC, LIMITED, MDSX, ODPD, ORMS/LA, FILE, C/LA (3/W)

98 0457370 ASP PAGE 001 IN 0457370
TOR: 061908Z FEB 98 BUEN 55099

S E C R E T 061900Z FEB 98 STAFF

CITE BUENOS AIRES 55099

TO: PRIORITY DIRECTOR.

FOR: LIMITED DISSEM IMS/ESG INFO DO/IRO, CHIEF/LA, LA/FIG, LA/FIGSC, CIC/LA

SLUGS: WNINTEL

SUBJECT: CONTINUED PROTECTION OF OUR USE OF COVER

REF: DIRECTOR 674771 98 0430861

TEXT:

1. ACTION REQUIRED: NONE, FYI ONLY AND IN RESPONSE TO REF.

2. THE RELEASE OF INFORMATION WHICH OFFICIALLY RECOGNIZES THE FACT OF STATE COVER WILL BE A DELICATE ISSUE ACROSS THE DO, AND --ALTHOUGH DAMAGE ASSESSMENTS IN THE<JFK ASSASSINATION>RECORDS REVIEW BOARD (ARRB) ARE LIMITED TO ONLY FOUR COUNTRIES-- THE WORLD-WIDE USE OF STATE COVER MEANS THE IMPLICATIONS WILL BE WIDELY FELT. IN THIS SENSE IT IS ALMOST SELF-DEFEATING TO ARGUE FROM FOUR SPECIFIC CASES (MOSCOW, PARIS, MEXICO CITY, AND BUENOS AIRES) AND EXTRAPOLATE FOR THE WHOLE DDO. NEVERTHELESS, WE WILL ATTEMPT TO RESPOND TO REF FROM THE BA PERSPECTIVE.

3. OFFICIAL CONFIRMATION OF CIA USE OF STATE COVER IN ARGENTINA WILL PREJUDICE UNILATERAL OFFICERS' COVER AND ACTIVITY, WHICH --AS IN MOST STATIONS-- IS THE COVER AND ACTIVITY WHICH MATTERS THE MOST IN THAT THESE OFFICERS TEND TO HANDLE THE MOST SENSITIVE PENETRATIONS OF THE LOCAL GOVERNMENT. OUR UNILATERAL OFFICERS ALSO HANDLE STATION'S NON-OFFICIAL COVER (NOC) OFFICERS. THUS BY DEFINITION THE UNILATERAL ACTIVITY CARRIED OUT BY THESE OFFICERS IS NON-COMPATIBLE, AND WOULD CAUSE DAMAGE TO STATION'S RELATIONS WITH OUR VARIOUS LIAISON SERVICES. CURRENTLY, STATION IS ENJOYING A PERIOD WHEREIN --AS A RESULT OF PRESIDENT CLINTON'S VISIT HERE IN LATE 1997, AND THE CHIEF OF THE PRINCIPAL LIAISON SERVICE'S VISIT TO HEADQUARTERS IN NOV 97-- LIAISON HAS DECIDED TO RE-ORIENT ITS ACTIVITIES AWAY FROM SMALL LIAISON RELATIONSHIPS IT HAS WITH VARIOUS EUROPEAN SERVICES AND MORE TOWARDS CIA. THIS STRATEGIC SHIFT, WHICH COULD HAVE LONG-TERM BENEFITS FOR CIA, WILL BE DASHED WHEN LIAISON SEES THAT WE RUN NON-COMPATIBLE OPERATIONS IN BUENOS AIRES. THE TRUST THAT TAKES AN

13-00000

ENDLESS NUMBER OF MEETINGS TO BUILD WILL BE GONE WITH THE FIRST PUBLICATION LOCALLY CONFIRMING OUR USE OF STATE COVER.

4. MOREOVER, BILATERAL U.S.-ARGENTINE RELATIONS HAVE NEVER BEEN CLOSER; THESE WOULD BE TARNISHED, NOT IRREPARABLY BY ANY MEANS, BUT UNNECESSARILY, BY OFFICIAL CONFIRMATION OF CIA USE OF STATE COVER. HISTORICALLY RELATIONS WITH ARGENTINA HAVE BEEN STRAINED, AND IT IS ONLY DURING THE PAST FEW YEARS THAT A NEW PRESIDENT AND HIS BOLD FREE-MARKET REFORMS HAVE PUSHED ARGENTINA SQUARELY INTO THE DEMOCRATIC ORBIT. CURIOUSLY, THE CLOSE POLITICAL RELATIONS AND OUR STEADILY-IMPROVING RELATIONS WITH LIAISON MEANS THAT BOTH PARTIES --EMBASSY DIPLOMATS AND SENIOR LIAISON OFFICERS-- WONDER WHY WE NEED TO SPY HERE IF WE CAN GET VIRTUALLY ANYTHING WE ASK FOR FROM LIAISON OR FROM ARGENTINE GOVERNMENT OFFICIALS. INDEED, IN THIS RELATIVELY OPEN, COMFORTABLE ENVIRONMENT, AN INDICATION THAT STATION WAS WORKING ON INCOMPATIBLE LOCAL TARGETS WOULD BE ESPECIALLY DAMAGING.

5. AT THE RISK OF BORING THE READER WITH DETAIL, EMBASSY BUENOS AIRES IS SO OPEN A WORKPLACE THAT THERE IS NO REAL CLEARED ACCESS AREA (CAA), BUT RATHER A "HYBRID" CAA, TO USE THE RSO'S PHRASE. THIS MEANS THAT FSN'S HAVE LONG HAD OFFICES ON THE THIRD FLOOR, WHERE THE *<EXECUTIVE>OFFICES AND REPORTING OFFICES (INCLUDING STATION) ARE LOCATED. NEEDLESS TO SAY, STATION IS NOT COMFORTABLE WITH THE LOCAL CONFIGURATION OF OFFICES, SINCE IT TENDS TO IDENTIFY OUR UNILATERAL OFFICERS. IN THIS ENVIRONMENT, WHERE EMBASSY OFFICERS DO NOT HAVE A FULL APPRECIATION OF THE ROLE/NEED FOR INTELLIGENCE IN SUCH AN OPEN, FRIENDLY SOCIETY, OFFICIAL CONFIRMATION OF CIA'S USE OF STATE COVER WOULD ONLY REAFFIRM THEIR POINT OF VIEW. OUR FEW UNILATERAL OFFICERS WOULD ESSENTIALLY THEN BE DECLARED. STATION WOULD HAVE TO ATTEMPT TO CHANGE OUR COVER PROFILE BY OBTAINING MORE NOC OFFICERS WHILE REDUCING THE NUMBER OF UNILATERAL C/O'S. AS HEADQUARTERS IS AWARE, UNDER CURRENT CIRCUMSTANCES THERE ARE FEW NOCS, AND THE SELECTION AND TRAINING OF NEW ONES TAKES YEARS AND IS EXPENSIVE. IN THIS SCENARIO, BUENOS AIRES WOULD NEVER RECEIVE ENOUGH PRIORITY TO WARRANT SENDING THREE NOC OFFICERS TO REPLACE THE THREE UNILATERAL SLOTS WE CURRENTLY HAVE. THE END RESULT WOULD BE THAT WE WOULD COLLECT VERY LITTLE INTELLIGENCE ON MAJOR PORTIONS OF OUR OPERATING DIRECTIVE (OD). SPECIFICALLY, INTERNAL POLITICAL REPORTING, WHICH IS A FIRST PRIORITY OBJECTIVE, WOULD BE ZEROED OUT, AND REPORTING ON THE WP AND ES TARGETS, BOTH SECOND PRIORITY OBJECTIVES, WOULD BE NON-EXISTENT. THIS WOULD BE A SERIOUS LOSS TO THE USG, SINCE OUR WP REPORTING HAS HISTORICALLY BEEN THE ONLY MEANS OF LEARNING TO WHAT EXTENT THE ARGENTINES ARE RESPECTING INTERNATIONAL AGREEMENTS AND NOT REBUILDING THEIR MISSILE PROGRAM. ON THE ES TARGET, WE WOULD LOSE SIGNIFICANT REPORTING ON REGIONAL ECONOMIC ACTIVITY AND THE IMPACT OF THE ASIAN FINANCIAL CRISIS IN THE AMERICAS. PERHAPS MOST IMPORTANTLY, HOWEVER, WE WOULD LOSE THE TRUST OF KEY HOST GOVERNMENT OFFICIALS AND OF SOME SENIOR LIAISON OFFICIALS, WITH THE PREDICTABLE RESULT THAT IT WOULD TAKE YEARS TO REBUILD THE RELATIONSHIP.

6. IN TERMS OF A SECURITY THREAT, BUENOS AIRES REMAINS THE ONLY CAPITAL IN THE WESTERN HEMISPHERE THAT HAS BEEN THE VICTIM OF TWO HIZBALLAH BOMBINGS, KILLING HUNDREDS OF PEOPLE. A TERRORIST INFRASTRUCTURE EXISTS IN THE TRI-BORDER AREA OF ARGENTINA, BRAZIL, AND PARAGUAY, WITH TIES INTO BUENOS AIRES AS WAS PROVEN TWICE. TWO

OR THREE TIMES PER YEAR STATION OBTAINS REPORTING OF ANOTHER THREAT ON LOCAL JEWISH OR U.S. INTERESTS, INCLUDING THIS EMBASSY. IN THIS ENVIRONMENT, PUBLICATION OF CIA USE OF OFFICIAL COVER MIGHT ENDANGER PEOPLES' LIVES, SPECIFICALLY STATION OFFICERS'. HAMAS, GAMA'AT AL ISLAMIYAH, AND HIZBALLAH ARE ALL ACTIVE LOCALLY. IN ADDITION, ARGENTINA HAS AN ARAB POPULATION OF OVER 700,000. IN THE DIPLOMATIC WORLD, THE CUBAN EMBASSY IS LARGE AND ACTIVE; WE ARE CERTAIN THEY WOULD SEEK TO TAKE ADVANTAGE OF ANY U.S. COVER GAPS. STATION HAS NOT HAD ANY SIGNIFICANT COVER GAPS IN THE PAST, AND THUS ANY ONE OF THIS MAGNITUDE WOULD HAVE A LARGE IMPACT.

7. STATION HOPES THE ABOVE IS USEFUL IN MARSHALING ARGUMENTS AGAINST THE PUBLICATION OF THE ARRB RECORDS.

8. FILE: NONE. DECL ON: X1. CL REASON: 1.5(C) CL BY: 0705909 DRV HUM 4-82.

END OF MESSAGE

SECRET